

Materials for the Private Report to the Emperor by
Minister UGAKI (East Asia Bureau; First Section)

1. The Negotiation with the British Ambassador in Tokyo regarding the adjustment of the Problems Pending between Japan and Britain:

As I (UGAKI) have already reported to you, the British Ambassador in Tokyo had presented at the end of July all the so-called pending questions regarding the British rights and interests in China, and I have negotiated with him for the solution of the questions. After that, I had discussed with him four times successively on the 17th and 20th of August, and the 8th and 14th of September. At the above meetings, I had told him that Japan and Britain should mutually understand and recognize calmly and justly each others standpoints. I had also explained minutely that if Britain, from a higher point of view, should be more friendly and conciliatory toward Japan, and abandon her policy to support Chiang Kai-shek, the relations between the two countries would be greatly improved, and the pending questions would easily be solved. But the British Ambassador emphasized repeatedly that Britain had attached the greatest importance to the prompt settlement of the questions between Japan and Britain regarding the British rights and interests in China. We have not yet come to a complete understanding. As for my part, I wish to explain to him more minutely Japan's standpoint, and through the Ambassador, I shall try to convert the British attitude toward Japan. For this purpose, I intend to continue further negotiations with him.

2. The Question regarding the British and French Concessions in Tientsin:

Since the outbreak of the incident, the authorities of the British and French concessions in Tientsin have adhered to their so-called neutral position, and have been inclined to hesitate in an effort for cooperation requested by the Interim Government and Japan. The outstanding examples are that both these concessions are breeding places for communistic anti-Japanese elements and are the bases of operations for the intrigue to disturb peace and order in the North China area by Chiang Kai-shek's Regime. Various communistic anti-Japanese newspapers and magazines are being published chiefly in these areas. Japan has repeatedly demanded the British and French authorities to strictly control these activities, but we have been unable to get their full cooperation.

Both the Bank of China and the Communication Bank /Kotsu Ginko/ had participated and cooperated in the establishment of the Federal Reserve Bank which is the source of monetary system in North China.

But afterward, through the conspiracy of the Chiang Kai-shek regime, these two banks in the French concession in Tientsin refused an inspection by the Federal Reserve Bank, and the authorities of the French Concession also refused the above inspection. These two banks have preserved within the two concessions a great amount of silver ingots which are supposed to be for the preparation of the monetary system in North China. As it is necessary for the Temporary Government and Japan to take hold of these silver ingots as soon as possible, we must first of all make the French Settlement authorities give up their interference mentioned above. Moreover, we had the Chinese Government take over the Telephone Bureau in Tientsin immediately after the outbreak of the Incident. But the Telephone Bureau in the British Settlement has not yet been handed over to the Chinese Government, due to the lack of positive assistance by the British authorities. It is necessary to force the authorities to hand the Bureau over to China at once. Under these circumstances, the Japanese authorities at Tientsin have repeatedly negotiated with the authorities of the British and French Settlements, but I am sorry to say that we have not seen any outstanding developments in the negotiations. Therefore, with the purpose of threatening the British and French authorities, our authorities there lately ordered the Japanese people to prepare to evacuate from the two concessions. This seemed to have had some reflection on the British and French authorities. According to reports from the consul-general in Tientsin, both the British and French authorities have recently assumed the attitude to cooperate a little with us, and:

- a. They have decided to prepare to post notice simultaneously in both concessions announcing the thoroughgoing control of riotous activities.
- b. They have agreed to hold joint meetings among the Japanese, British and Chinese police authorities and negotiate in order to exchange informations and cooperate in the control.
- c. They have enforced the control of unlawful wireless apparatuses in the settlements.

For the accomplishment of our various demands, we have plans to continue further negotiations with the British and French authorities both in Tokyo and Tientsin.

3. The establishment of the Federated Committee of the Government of the Republic of China:

Since the establishment of the Chinese Interim Government in December last year, and the Revolutionary Government in March this year, these two regimes have been separated in the north and in the south, and there had been no organ to link their controls.

They have been working from their respective standpoints to hastily organize their administration, finance and public peace, etc. Japan will further proceed with her effort in the destruction of the Chiang Kai-shek Regime, while contemplating carefully the establishment of a new Chinese Central Government in its place. As a premise for the establishment of a new Chinese Central Government, Japan has decided to immediately establish a Federated Committee with the cooperations of both the Interim Government and the Revolutionary Government and including the Mongolia-Sinkiang Federated Committee. The above regimes, thereafter, will absorb or cooperate with the other elements, and thereby establish a true central government. Accordingly, on the 27th and 28th of August, the representatives from our Government in Tokyo, and our military authorities in Tientsin met at Fukuoka, and have decided on a basic plan. Then on the 9th and 10th of September, the representatives from the Interim and the Revolutionary Governments, together with the Japanese representatives met at Dairen, and have finally decided to establish a Federated Committee of the Government of the Republic of China at Peking. On the 22nd, an establishment ceremony was held, and the first committee meeting is scheduled to be held on the 23rd. The Committee will control the common administrative affairs of the two governments, while the chief purpose will be to facilitate the establishment of a New Central Government. By this the Committee will not only facilitate and unify the administration of the two governments, but also will have an important significance in the preparation to establish a new Central Government in the future. The chairman of the Committee is Mr. Wang Ko-Min, head of the administrative Commission of the Chinese Interim Government. The committee shall consist of three members from each of the true governments, including the presidents.